

ROUTING AND TRANSMITTAL SLIP

TO: (Name, office symbol, room number, building, Agency/Post)

Date DDI-652/1834
DDI 652/1834

1. DDI

2. DDCI

3. DCI

rec'd 13 Sept.

2 SEP 1983

3 SEP 1983

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Action	File	Note and Return
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Circulate	For Your Information	See Me
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FROM: (Name, org. symbol, Agency/Post)

Room No.—Bldg.

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8 SEP 1983

DP- 6521/83

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

THROUGH: Deputy Director for Intelligence

FROM:
Director of Global Issues

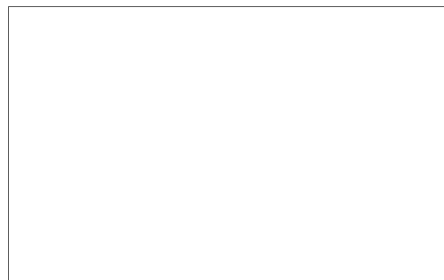
SUBJECT: Semiconductor Technology and Foreign Competition
Conference

STAT

1. Action. Your signature on the attached letters. Agreement to make opening remarks at the conference, extending welcome to industry executives, and hosting a luncheon on the first day.

2. Background. The Agency will host a series of conferences on high technology industries in future months. The first such conference will cover the critically important area of semiconductor technology which is of major importance to US strategic and economic interests. We have invited leading industry experts and believe that direct DCI interest and participation are key to attracting the level of private sector executive essential for a successful conference. The DCI's direct involvement will clearly convey the importance the Agency attaches to involving outside experts in guiding and enhancing our analytical research efforts. You should note that we wish to invite Admiral Inman to be our guest speaker at a formal dinner on the first day. As you know, the Admiral heads the newly-formed Microelectronics and Computer Technology Corporation, which makes him an ideal participant for this conference. We have prepared a draft letter of invitation to Admiral Inman for your consideration.

Attachment:
As stated



ADMINISTRATIVE INTERNAL USE ONLY



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Distribution:

Orig - Addressee

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OGI/CTID/

(9 Sep 83)

Central Intelligence Agency

Washington, D.C. 20505

16 September 1983

Admiral B. R. Inman

STAT

Dear Bob:

I invite you to attend a special two-day Agency conference on semiconductor technology and foreign competition. The purpose of this conference is to bring together leading semiconductor industry experts and intelligence officers to exchange views on foreign technological and market trends that could seriously impact on our national security and economic interests. I consider the semiconductor industry a vital sector for the continued economic growth and strength of our nation, and I want to ensure that the Agency fully understands and appreciates what industry leaders perceive as the most important foreign developments.

Your current position as head of the Microelectronics and Computer Technology Corporation, coupled with your long and distinguished career in intelligence, uniquely qualifies you to contribute most significantly to the success of this event. As you will note from the enclosures, each industry invitee is asked to speak on a specific topic. In your case, I see no need to provide such guidance, the choice of topic is for you to choose.

The two-day conference will be held in the Washington, D.C. area. Accommodations will be arranged for you by the Agency. Exact dates have not been established, and your preference is requested. The weeks of November 14-18, or December 5-9 are the weeks of choice. Attendance will be limited to Agency personnel and invited industry representatives. I hope you will join us. Your participation will ensure that this conference will be a successful endeavor.

Sincerely,



William J. Casey
Director of Central Intelligence

Enclosures:

Conference Agenda

Proposed Speakers and Topics



DCI
EXEC
REG

Conference Agenda

Day 1

8:30	Welcome and introductory comments - DCI or his designated representative
9:00-12:00	Industry presentations
12:00-1:00	Lunch - Host - DCI or his designated representative
1:30-5:00	Industry presentations
6:00-7:15	Cocktails
7:30	Dinner Guest speaker-Admiral Inman

Day 2

8:30-11:00	Industry presentations
STAT 11:00-12:00	<input type="text"/> presentation on industrial research program
12:15-1:15	Lunch
1:30-4:15	Round table discussions
STAT 4:30-5:00	Summary and concluding remarks - <input type="text"/>

Semiconductor Technology and Foreign Competition Conference
Proposed Speakers and Topics for Industry Presentations

Day 1

Invited Speaker

Topic

Dr. Erich Bloch
International Business
Machines Corp.

Major technological barriers to continued rapid development of advanced semiconductors. Comparison of United States (government and industry) and foreign efforts to overcome these barriers.

Dr. William Howard
Motorola

Specific semiconductor technologies most promising for future civil and military applications. Major new civil and military applications of semiconductors for the future.

Mr. Larry Sumney
Semiconductor Research Corp.

Prospects for differentiation of civil and military devices given current and future trends in semiconductor developments.

Mr. J. Fred Bucy
Texas Instrument Corp.

A realistic view of Japanese strengths and weaknesses in manufacturing and marketing of semiconductors.

Mr. L. J. Sevin
Sevin Rosen Management

Historical view of US semiconductor technology transfers and the impact on current foreign competitiveness. Prospects for US acquisitions of foreign technology, and how the US should approach technology transfers in the future.

Dr. Robert Noyce
Intel Corp.

US prospects for technological and market domination of advanced memory device markets. The technological and market consequences of a US loss of advanced memory device leadership.

Day 2 (morning)

Dr. Martin Lepselter
Bell Laboratories

Comparison of US and foreign efforts to develop gallium arsenide and other non-silicon technologies. US and foreign development trends and applications driving development.

Dr. Charles Sutcliffe
Semiconductor Equipment
& Manufacturing Institute

Key areas of supporting technologies (e.g., packaging and materials) and equipment (for design, fabrication, assembly and testing) where the US is becoming increasingly dependent on foreign suppliers. Current trends and prospects for US technological and market leadership.

Day 2 (afternoon)

Round Table Discussion Topics

1. What countries (outside of Japan) represent significant future technological or market challengers to US leadership in semiconductors or supporting technologies?
2. Do Japanese semiconductor corporations possess inherent advantages that virtually guarantee their long-term success?
3. In what device areas is the US likely to become dependent, or more dependent, on foreign suppliers? What equipment and systems (military and civil) will be impacted most? What factors are contributing to these dependencies and what are the prospects for change?

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Central Intelligence Agency



Washington, D.C. 20505

16 SEP 1983

Dr. Erich Bloch
Vice President
International Business Machines Corporation
Armonk, New Jersey 10504

Dear Dr. Bloch:

On behalf of the Central Intelligence Agency, I invite you to attend a special two-day Agency conference on semiconductor technology and foreign competition. The purpose of this conference is to bring together leading semiconductor industry experts and intelligence officers to exchange views on foreign technological and market trends that could seriously impact on our national security and economic interests. I consider the semiconductor industry a vital sector for the continued economic growth and strength of our nation, and I want to ensure that the Agency fully understands and appreciates what industry leaders perceive as the most important foreign developments.

I have asked that industry invitees be chosen on the basis of their technological expertise and objectivity. Your known ability to clearly differentiate R&D sensationalism from production realities is especially important to the conference goals. I have requested that for each invitee an appropriate topic be tailored to that individual's expertise as it best meets the conference goals. On this basis, your views on the following questions are of particular interest.

"What are the major technological barriers to continued rapid development of advanced semiconductors? Is the United States (government and industry) committing sufficient resources, relative to foreign efforts, to overcome these barriers?"

If you would prefer to address another related topic, we would be glad to consider it as a possible alternative, provided it does not overlap other presentations. Each speaker will be allotted one hour for both presentation and question/answer session. A list of invitees along with suggested areas for presentation is enclosed.



The two-day conference will be held in the Washington, D.C. area. Accommodations will be arranged for you by the Agency. Exact dates have not been established, and your preference is requested. The weeks of November 14-18, or December 5-9 are the weeks of choice. I want to add that, on the government side, only my staff will be present, and that members of the public media are excluded. Finally, I want to assure you that your views will be treated with the utmost confidentiality. I hope you will join us. Your participation will ensure that this conference will be a successful endeavor.

Sincerely,

/s/ William J. Casey

William J. Casey
Director of Central Intelligence

Enclosures:

Conference Agenda
Proposed Speakers and Topics

Central Intelligence Agency



Washington, D.C. 20505

16 SEP 1983

Dr. William G. Howard, Jr.
Vice President
Motorola Inc.
Phoenix, Arizona 85062

Dear Dr. Howard:

On behalf of the Central Intelligence Agency, I invite you to attend a special two-day Agency conference on semiconductor technology and foreign competition. The purpose of this conference is to bring together leading semiconductor industry experts and intelligence officers to exchange views on foreign technological and market trends that could seriously impact on our national security and economic issues. I consider the semiconductor industry a vital sector for the continued economic growth and strength of our nation, and I want to ensure that the Agency fully understands and appreciates what industry leaders perceive as the most important foreign developments.

I have asked that each industry invitee be chosen on the basis of their technological expertise and objectivity. Your service to the government on committees sponsored by the Department of Commerce and Department of Defense has earned you the respect and admiration of those who have served with you. I have requested that for each invitee an appropriate topic be tailored to that individual's expertise as it best meets the conference goals. To this end, your views on the following questions are of particular interest.

"Which specific semiconductor technologies are most promising for future civil applications: for military applications? What are expected to be the major new applications for semiconductors in the future in civil applications: in military applications?"

If you would prefer to address another related topic, we would be glad to consider it as a possible alternative, provided it does not overlap other presentations. Each speaker will be allotted one hour for both presentation and question/answer session. A list of invitees along with suggested areas for presentation is enclosed.



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Sincerely,

W. J. Casey
W. J. Casey

William J. Casey
Director of Central Intelligence

Enclosures:

Conference Agenda
Proposed Speakers and Topics

DDI 652153/4

Central Intelligence Agency



Washington, D. C. 20505

16 SEP 1983

Mr. L. J. Sevin
Sevin Rosen Management
200 Park Avenue
New York, New York 10003

Dear Mr. Sevin:

On behalf of the Central Intelligence Agency, I invite you to attend a special two-day Agency conference on semiconductor technology and foreign competition. The purpose of this conference is to bring together leading semiconductor industry experts and intelligence officers to exchange views on foreign technological and market trends that could seriously impact on our national security and economic interests. I consider the semiconductor industry a vital sector for the continued economic growth and strength of our nation, and I want to ensure that the Agency fully understands and appreciates what industry leaders perceive as the most important foreign developments.

I have asked that each industry invitee be chosen on the basis of their technological expertise and objectivity. Your candidness and astute observations of the Japanese threat long before many recognized the problem, speaks well of your abilities to "tell it like it is" well in advance of most observers. We are most interested in hearing your views on the following important questions.

"Based on hindsight, was US industry too generous in selling its technology to foreign firms? To what extent are current foreign capabilities considered a result of past US technology transfers? If the clock could be turned back, what would have been a better approach? How would this approach change for the future? To what extent can the US expect Japanese government and firms to make their technology available?"

If you would prefer to address another related topic, we would be glad to consider it as a possible alternative, provided it does not overlap other presentations. Each speaker will be allotted one hour for both presentation and question/answer session. A list of invitees along with suggested areas for presentation is enclosed.



The two-day conference will be held in the Washington, D.C. area. Accommodations will be arranged for you by the Agency. Exact dates have not been established, and your preference is requested. The weeks of November 14-18, or December 5-9 are the weeks of choice. I want to add that, on the government side, only my staff will be present, and that members of the public media are excluded. Finally, I want to assure you that your views will be treated with the utmost confidentiality. I hope you will join us. Your participation will ensure that this conference will be a successful endeavor.

Sincerely,

/s/ William J. Casey

William J. Casey
Director of Central Intelligence

Enclosures:

Conference Agenda
Proposed Speakers and Topics

DATE 652183/5

Central Intelligence Agency



Washington, D.C. 20505

16 SEP 1983

Mr. Larry W. Sumney
Executive Director
Semiconductor Research Corporation
Triangle Park, North Carolina 27709

Dear Mr. Sumney:

On behalf of the Central Intelligence Agency, I invite you to attend a special two-day Agency conference on semiconductor technology and foreign competition. The purpose of this conference is to bring together leading semiconductor industry experts and intelligence officers to exchange views on foreign technological and market trends that could seriously impact on our national security and economic interests. I consider the semiconductor industry a vital sector for the continued economic growth and strength of our nation, and I want to ensure that the Agency fully understands and appreciates what industry leaders perceive as the most important foreign developments.

I have asked that each industry invitee be chosen on the basis of their technological expertise and objectivity. Your past experience as the manager of the Department of Defense program for VHSIC and your current position as head of SRC uniquely qualifies you to address technological issues which are of major concern to both industry and government policymakers. In particular, your views on the following question would be most welcome.

"As semiconductor technology develops, will it be more or less difficult to differentiate between civil and military devices? Why or why not?"

If you would prefer to address another related topic, we would be glad to consider it as a possible alternative, provided it does not overlap other presentations. Each speaker will be allotted one hour for both presentation and question/answer session. A list of invitees along with suggested areas for presentation is enclosed.

DCI
EXEC
REG

The two-day conference will be held in the Washington, D.C. area. Accommodations will be arranged for you by the Agency. Exact dates have not been established, and your preference is requested. The weeks of November 14-18, or December 5-9 are the weeks of choice. I want to add that, on the government side, only my staff will be present, and that members of the public media are excluded. Finally, I want to assure you that your views will be treated with the utmost confidentiality. I hope you will join us. Your participation will ensure that this conference will be a successful endeavor.

Sincerely,

/s/ William J. Casey

William J. Casey
Director of Central Intelligence

Enclosures:

Conference Agenda
Proposed Speakers and Topics

DDI- 6521-83/6

Central Intelligence Agency



Washington, D.C. 20505

16 SEP 1983

Dr. Robert N. Noyce
Vice Chairman & Director
Intel Corporation
Santa Clara, California 95051

Dear Dr. Noyce:

On behalf of the Central Intelligence Agency, I invite you to attend a special two-day Agency conference on semiconductor technology and foreign competition. The purpose of this conference is to bring together leading semiconductor industry experts and intelligence officers to exchange views on foreign technological and market trends that could seriously impact on our national security and economic interests. I consider the semiconductor industry a vital sector for the continued economic growth and strength of our nation, and I want to ensure that the Agency fully understands and appreciates what industry leaders perceive as the most important foreign developments.

I have asked that each industry invitee be chosen on the basis of their technological expertise and objectivity. Your outstanding contributions to advances in semiconductor technology and the high regard with which you are held by your peers, make your views critical to the success of this conference. Your views on the following questions are of particular interest.

"Can US industry win the struggle for domination of advanced RAM memory markets? Explain. Would US loss of technological and market leadership in RAM's have major consequences for overall US technological and market leadership? Explain."

If you would prefer to address another related topic, we would be glad to consider it as a possible alternative, provided it does not overlap other presentations. Each speaker will be allotted one hour for both presentation and question/answer session. A list of invitees along with suggested areas for presentation is enclosed.



The two-day conference will be held in the Washington, D.C. area. Accommodations will be arranged for you by the Agency. Exact dates have not been established, and your preference is requested. The weeks of November 14-18, or December 5-9 are the weeks of choice. I want to add that, on the government side, only my staff will be present, and that members of the public media are excluded. Finally, I want to assure you that your views will be treated with the utmost confidentiality. I hope you will join us. Your participation will ensure that this conference will be a successful endeavor.

Sincerely,

/s/ William J. Casey

William J. Casey
Director of Central Intelligence

Enclosures:

Conference Agenda
Proposed Speakers and Topics

Central Intelligence Agency

DDI-6

6521-83/7



Washington, D. C. 20505

16 SEP 1983

Dr. Martin P. Lepselter
Director
Bell Telephone Laboratories Inc.
Murray Hill, New Jersey 07974

Dear Dr. Lepselter:

On behalf of the Central Intelligence Agency, I invite you to attend a special two-day Agency conference on semiconductor technology and foreign competition. The purpose of this conference is to bring together leading semiconductor industry experts and intelligence officers to exchange views on foreign technological and market trends that could seriously impact on our national security and economic interests. I consider the semiconductor industry a vital sector for the continued economic growth and strength of our nation, and I want to ensure that the Agency fully understands and appreciates what industry leaders perceive as the most important foreign developments.

I have asked that each industry invitee be chosen on the basis of their technological expertise and objectivity. As the director of the premier advanced semiconductor development center in the world, your views on technological trends are of considerable interest. We are especially interested in your views on the following questions.

"Compared with current foreign efforts, is US industry committing sufficient R&D resources to industrialization of gallium arsenide and other non-silicon technologies? If not, why? If so, compare US progress and philosophy towards applications with foreign efforts and identify key aspects of these technologies where the US leads or lags foreign developments."

If you would prefer to address another related topic, we would be glad to consider it as a possible alternative, provided it does not overlap other presentations. Each speaker will be allotted one hour for both presentation and question/answer session. A list of invitees along with suggested areas for presentation is enclosed.



DATE 6521-83/8

Central Intelligence Agency



Washington, D.C. 20505

16 SEP 1983

Dr. Charles Sutcliffe
Executive Director
Semiconductor Equipment & Manufacturing
Institute, Inc.
Mountain View, California 94043

Dear Dr. Sutcliffe:

On behalf of the Central Intelligence Agency, I invite you to attend a special two-day Agency conference on semiconductor technology and foreign competition. The purpose of this conference is to bring together leading semiconductor industry experts and intelligence officers to exchange views on foreign technological and market trends that could seriously impact on our national security and economic interests. I consider the semiconductor industry a vital sector for the continued economic growth and strength of our nation, and I want to ensure that the Agency fully understands and appreciates what industry leaders perceived as the most important foreign developments.

I have asked that each industry invitee be chosen on the basis of their technological expertise and objectivity. Too frequently, when people discuss high technology areas such as semiconductors the entire focus is on the devices themselves. In our view, it is not very meaningful to discuss semiconductor technology unless one examines the key aspects of design and manufacturing, which make production of advanced devices possible. Your long experience in supplying these tools of production and your position as Executive Director of SEMI make you an excellent choice for this conference. Your views are of particular interest to us on the following questions.

"In what areas of key supporting technologies (packaging, materials, or design, manufacturing, assembly and test equipment) has the US become, or may become, increasingly dependent on foreign suppliers? Is US industry concerned about any of these areas of dependency? Why?"

If you would prefer to address another related topic, we would be glad to consider it as a possible alternative, provided it does not overlap other presentations. Each speaker will be allotted one hour for both presentation and question/answer session. A list of invitees along with suggested areas for presentation is enclosed.



The two-day conference will be held in the Washington, D.C. area. Accommodations will be arranged for you by the Agency. Exact dates have not been established, and your preference is requested. The weeks of November 14-18, or December 5-9 are the weeks of choice. I want to add that, on the government side, only my staff will be present, and that members of the public media are excluded. Finally, I want to assure you that your views will be treated with the utmost confidentiality. I hope you will join us. Your participation will ensure that this conference will be a successful endeavor.

Sincerely,
/s/ William J. Casey

William J. Casey
Director of Central Intelligence

Enclosures:

Conference Agenda
Proposed Speakers and Topics

6521-83/9

Central Intelligence Agency



Washington, D.C. 20505

16 SEP 1983

Mr. J. Fred Bucy
Chairman of the Board & President
Texas Instrument Corporation
Dallas, Texas 75265

Dear Mr. Bucy:

On behalf of the Central Intelligence Agency, I invite you to attend a special two-day Agency conference on semiconductor technology and foreign competition. The purpose of this conference is to bring together leading semiconductor industry experts and intelligence officers to exchange views on foreign technological and market trends that could seriously impact on our national security and economic interests. I consider the semiconductor industry a vital sector for the continued economic growth and strength of our nation, and I want to ensure that the Agency fully understands and appreciates what industry leaders perceive as the most important foreign developments.

I have asked that each industry invitee be chosen on the basis of their technological expertise and objectivity. You have, in the past, generously given your time and talents to assist government in dealing with technology transfer issues of national interest. Once again, your government asks that you provide your good counsel. In this particular case, I can think of no better choice to address the following question.

"What are the major misconceptions and realities of Japanese technological, manufacturing, and marketing strengths and weaknesses in semiconductors?"

Clearly, Texas Instruments' long and successful presence in Japan provides a solid basis to identify and understand the essence of Japanese successes in semiconductors. If you would, however, prefer to address another related topic, we would be glad to consider it as a possible alternative, provided it does not overlap other presentations. Each speaker will be allotted one hour for both presentation and question/answer session. A list of invitees along with suggested areas for presentation is enclosed.



The two-day conference will be held in the Washington, D.C. area. Accommodations will be arranged for you by the Agency. Exact dates have not been established, and your preference is requested. The weeks of November 14-18, or December 5-9 are the weeks of choice. I want to add that, on the government side, only my staff will be present, and that members of the public media are excluded. Finally, I want to assure you that your views will be treated with the utmost confidentiality. I hope you will join us. Your participation will ensure that this conference will be a successful endeavor.

Sincerely,

/s/ William J. Casey

William J. Casey
Director of Central Intelligence

Enclosures:

Conference Agenda
Proposed Speakers and Topics